

29 July 1957

MEMORANDUM FOR THE RECORD:

Subject: Contact with AECASSOWARY 2 on Tuesday, 23 July 1957

1. The meeting with AECASSOWARY 2 was scheduled for 1300 hrs on 23 July 1957 at the Prolog ASSociates office at 875 West End Avenue, New York. Participants included the undersigned, [ ] from the Office of the Comptroller, AECASSOWARY 2 and AECASSOWARY 26, treasurer of Prolog. The meeting was held in order to discuss problems dealing with funding and accounting of AERODYNAMIC funds under the new REvised Administrative Plan.

2. The necessity to have all monies paid to members of Prolog Associates from the three projects, AERODYNAMIC, AECARTHAGE, and the AECUPBOARD and AEREADY programs, be channelled through the Prolog treasurer in order to simplify the matter of accounting and in order to provide better coordination and control. Thus, if one of the AECASSOWARIES is asked to travel under a special project, Prolog would provide the advance and the accounting would be up to the individual. The case officer requesting such travel would pay the Prolog Associates according to our rates for such travel and other expenses involved. But if this exceeds the actual sum that the AECASSOWARY spent, the Prolog group as a whole would benefit from this rather than the specific individual. This would be much fairer to all concerned, since some of the members are forced to remain in New York at all times and can only depend on their salary, while the individual requested to travel, receives his salary plus the additional benefits. It was decided that this was a matter for Hqs coordination and would be brought up and resolved there.

3. In order to regularize the funding of AERODYNAMIC subsidies and thus allow Prolog Associates to pay their monthly and quarterly obligations (such as FICA, Unemployment, income and other taxes), it was agreed to relay future subsidies on a three-month advance basis prior to the expiration of the current quarter. Since accounting for funds is also under a quarterly basis under the New Revised Administrative Plan, there will be no problem as far as Budget & Finance are concerned. A consolidated statement of Income and Expenses for the period from 1 April 57 to 30 June 57 was submitted by the Prolog Treasurer.

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4. AECASSOWARY 2 asked whether the severance pay for the five individuals to be dropped under the revised budget would be effective as of 1 July or 1 August. The undersigned stated that he would bring this matter up upon his return to Hqs and notify AECASSOWARY 2 of the decision reached. (This severance pay would total \$6000-- \$400 per month for 5 men as agreed upon by , , and AECASSOWARY 2 at a meeting in Washington on 2 July 1957.)

5. The problem of funding the newspapers in Germany was discussed and it was decided to continue financing them under the former arrangement for the months of July, August and September in order to allow AECASSOWARY 3 time to come to the US for discussion of this problem. Since the New Revised Plan calls for all funding to be done thru Prolog in New York, arrangements will be made to provide field operations with funds directly from Prolog Associates as of 1 October 1957.

6. The problem of obtaining outside private support was brought up and explained that this project had been initiated by him last spring but that it had been delayed for some time. Since approval has now been granted to continue the exploration of methods of obtaining private support, he would continue to contact individuals which would be willing to provide either tangible support, or at least allow their names to be used for backstopping Prolog's source of subsidy. ( ) briefed AECASSOWARY 2 and the Prolog Treasurer on the methods by which interested private individuals could make contributions to Prolog and obtain tax-exemption for their income tax.

7. ( ) informed the undersigned that the Prolog Associates as an incorporated, tax-free organization would have to undergo a New York state-approved audit in early 1958. He suggested that the undersigned keep this in mind and make the necessary arrangements later this year.

8. Upon conclusion of the general meeting on the financial aspects of Project AERODYNAMIC, the undersigned met with AECASSOWARY 2 for discussion of matters dealing with CE and PP matters. Subject brought up the following matters:

a. Subject's father is in the Ukraine at the present time and is in correspondence with AECASSOWARY 2 through his uncle who resides in New Jersey. Subject has been sending him packages and letters via this channel. The father repeatedly asks if AECASSOWARY 2 can do anything to aid him in leaving the Soviet Union. Since this puts AECASSOWARY 2 in a rather difficult situation, he inquired about any possibilities we might have to aid the father in this matter. He stated that there might be a possibility of the father traveling to Poland to visit relatives. The undersigned stated that the matter would be studied, but made no commitments of aid.

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b. Subject transmitted a letter written by Dr. Antin KNYAZHYNSKY to Dr. Lev Dobriansky, President of Ukrainian Congress Committee of America in which KNYAZHYNSKY states that he is submitting his memoirs of 1941. (Copy of letter is attached). Since KNYAZHYNSKY returned from the Soviet Union to Austria under rather questionable circumstances circa 1955, both AECASSOWARY 2 and AECAPELIN 1 are highly suspicious of him and believe that he is probably an RIS agent sent to sow dissent and misinformation among the emigres. The undersigned asked AECASSOWARY 2 to try to obtain a copy of the KNYAZHYNSKY memoirs and stated that he would investigate this matter further and notify the proper people.

c. AECASSOWARY 2 also brought up the fact that there are various Ukrainian students in the United States and other countries who would be interested in attending school and at the same time work for the US Government. Several of these students are supposed to know Arabic, one knows Turkish, and others have background in European languages. The undersigned suggested that AECASSOWARY 2 provide the names and brief biographic, educational and language data on these students and then a more realistic estimate can be made of their usefulness. Subject also brought up the name of Vladimir TARNOPOLSKY, a Canadian law student, who recently obtained a scholarship from the World University Service to study in Cairo, Egypt. He wondered if we would be interested in recruiting him for any purpose and also stated that he had plans to contact him in Canada later this summer with the possibility of recruiting him for Prolog Associate activities in Egypt (primarily for distribution of "Information Bulletin's" and for dissemination of the Prolog Magazine which is primarily slanted towards the Middle Eastern nations.)

d. Subject inquired whether we could aid Prolog in obtaining the Dudintsev book "Not by Bread Alone" at a 50% discount from TSOpe which is currently printing copies. He also requested that the ~~Pyrex~~ PYREX schedule for the radio program "New Ukraine" be changed to a more realistic time of day, preferably the evening hours, since few people can hear it during the day. In reference to this program, AECASSOWARY 2 stated that he had recently received a letter from the Ukraine which acknowledged the fact that the program is being heard there. AECASSOWARY 2 was advised that the programs had been over 15 minutes in length and should be cut down by a minute or two.

e. The meeting was terminated at 1630hrs. No date was specified for the next meeting.

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